

BILL ANALYSIS

Senate Research Center
81R12446 JD-D

S.B. 1778
By: Harris
Economic Development
4/4/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Economic Development Act created a mechanism for school districts to offer property tax relief to businesses undertaking a major economic development project in their community. Under this Act, a school district has the authority to limit the appraised property value of certain eligible projects.

Data centers are an important source of high-paying jobs in Texas. The central time zone in which Texas is situated appeals to those looking to locate a data center and the projects generate millions in capital investment. However, data centers are not eligible for limitations on appraised values.

As proposed, S.B. 1778 adds data centers to the list of projects eligible for limitations on appraised value.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 313.024(b), Tax Code, by requiring the entity to use the property in connection with certain purposes, including as a data center to be eligible for a limitation on appraised value under this subchapter. Makes nonsubstantive changes.

SECTION 2. Amends Section 313.024(e), Tax Code, by adding Subdivision (5) to define "data center."

SECTION 3. Effective date: upon passage or September 1, 2009.